

SOUNDMACHINE

HOW TO USE MUSIC IN A BUSINESS

A GUIDE BY SOUNDMACHINE



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INTRODUCTION

In recent years, transforming points of sale into “points of experience” has come to the forefront of marketing strategies. This approach has been bolstered by new studies confirming the increasing importance of fields like neuro-marketing. Modern marketing techniques are going beyond the basics of packaging and advertising, taking a multi-faceted approach by carefully controlling of every aspect of the environment the customer experiences.

Creating an effective retail experience not only enhances customer satisfaction, but also increases their in-store time (maximizing sales potential), has a positive impact on the perception of wait times, reinforces brand image, leads to increased sales, and builds customer loyalty.

An important factor that shapes the customer’s in-store experience is music, which is intrinsically linked to successful creation of the desired atmosphere. Many studies have confirmed the importance of music’s strategic use in retail. In this guide, we will explore several strategic keys to crafting the ideal retail environment and maximizing sales potential through music.

“PEOPLE SPEND MONEY WHEN AND WHERE THEY FEEL GOOD.”

- WALT DISNEY

Although there are an infinite number of ways to use music as a marketing instrument, musical marketing experts commonly employ one of two strategies:

1. Creating a warm atmosphere where your customers feel at home, using music genres that welcome visitors to the location.
2. Coordinating music with your brand image to create a consistent environment, foster a sense of quality, and improve sales.

Musical marketing strategy depends entirely each brand's core strategy, and should be its extension and interpretation. However, there are some universal guidelines which can improve any company's in-store performance - regardless of which strategy they subscribe to. Careful consideration must be given to the following aspects of music choice.

SENSORY OVERLOAD

A common practice among retail managers is to simply tune the radio to a Top 40 radio station and let it play. Unfortunately, doing this causes what auditory studies call "sensory overload": an overstimulation that leads to disorganization. In-store music automatically creates a response in the customers, but playing over-exposed tracks negates any effect they might have. Sensory overload has been compared to satiation, or of overindulging in dessert (Hedström et al., 2015). Some Top 40 songs may have retail-friendly characteristics, but after being heard too often by customers they may have a counterproductive effect.

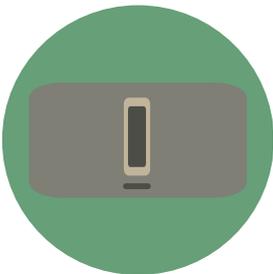
Music marketing is shaped by four elements, which should be coordinated to create an effective auditory environment:



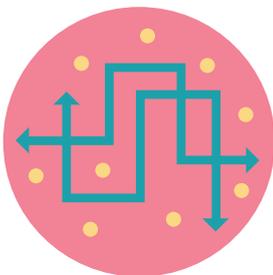
CONTENT



TEMPO



VOLUME



LICENSING

CONTENT

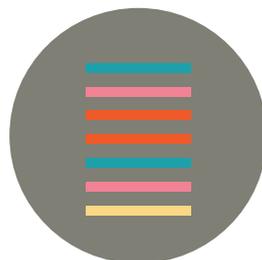
Using in-store music that complements brand image is an incredibly effective strategy. When a coherent, consistent environment is achieved, the space “feels right” – a sense which feeds into desired outcomes.

Use of appropriate content leads to increased purchase by the customer as they interact with your establishment. One fascinating experiment made in a wine cellar showed that customers spent 240% more money when classical music was played rather than selections from a Top 40 playlist. (Areni and Kim, 1993)

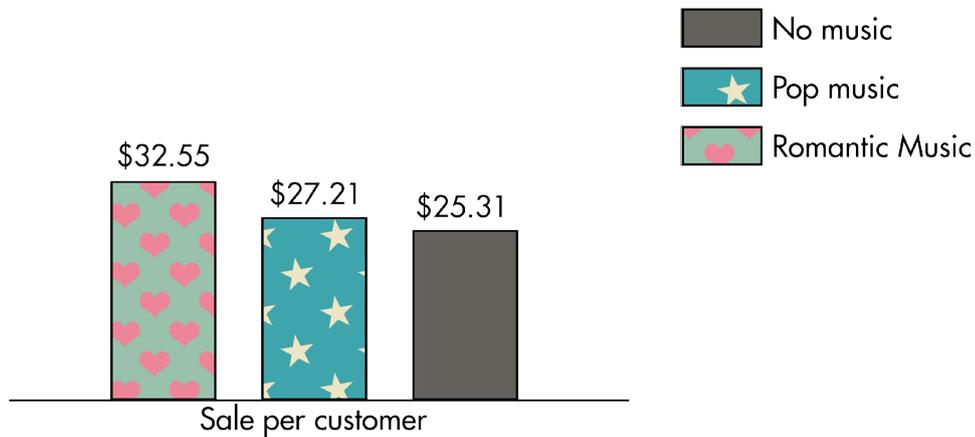


HOW DOES CONGRUENCY WORK?

Experiments have demonstrated that people tend to associate musical congruency with a higher perception of quality. For example, a study made in a French restaurant showed that customers who had been exposed to French music while eating had a better impression of their meal, and even gave higher ratings to the service. (Demoulin, 2013)



Inclusion of music can lead to exponential sales increases, which seems evident also in retail. The following are the results of research conducted in a florist shop, where romantic music, pop music, and silence each had a significant effect on the sales. (Jacob et al., 2009)



Other than to augment sales, music can be used to guide the client on a subconscious level and influence their purchasing decisions. Music can affect what types of products the clients purchase within a store.

As an example of how powerfully music can affect the mind of the buyer, another experiment was made in a wine cellar (North et al., 1999). On days when German music was played in the space, 73% of the wine sold was German. Meanwhile, the days on which French music was played led to 77% of the customers purchasing French wine.



Astonishingly, 86% of the customers involved in the experience claimed that music didn't affect their purchasing choices.

Successful and well-known companies have been applying auditory marketing strategies to use music as a defining element of their brand.

One of the best known examples of the use of musical congruency is Hollister Co. This chain of apparel stores is well known for designing their retail locations to resemble a Southern Californian club, using very low lighting and music consistently played above normal in-store volume. Teenagers are Hollister Co.'s target demographic, and the music featured in-store helps the brand attract and influence this age group. The message is clear: "if the music is too loud for you, you are too old for our store". (Grinspan, 2012)

Global lingerie brand La Perla uses music to enhance their positioning as a luxury brand. While most similar brands use sexy and empowering music, La Perla's sound is characterized by a very sophisticated use of minimal electronic and ambient music, with Balearic nuances and use of avant-garde pop. By incorporating the same music in all their locations, La Perla's image is coordinated by headquarters, helping to create a unique vision of the brand and its identity.

Music marketing in big chains is not exclusive to the retail industry. The practice has long been extended across major restaurant and coffee shop chains. For example, it would be impossible to imagine Hard Rock Café without rock music playing, and their identity as a brand would be very difficult to define.

Music content in a business environment can be divided into two categories: background and foreground music.

Background music: Also known as ambient music, background music is instrumental (without vocals), and is usually recorded specifically for commercial purposes.

Foreground music: Typically played at higher volume levels than background music, foreground music contains vocals and is recorded for mainstream purposes.

Foreground and background music have different effects on the mood of the buyer, which can be even more pronounced in the context of other factors such as gender. For example, a study showed that men tended to spend twice as much on purchases when foreground music was playing. (Hultén et al., 2009)

Additionally, the distinction between foreground and background music has an effect on purposeful buyers - those who enter the store with a concept of what they want to purchase already in mind (contrasted with the casual customer who wanders around on a "shopping trip" without clear intentions). For purposeful customers, foreground music puts them in an active mood, causing them to spend more than they had planned on impulse purchases (Yalch, 1990).

If we understand what category of customers a certain shop or restaurant attracts, we can shape a congruent auditory environment for that specific location, always keeping brand image coherence in mind.

Furthermore, some special types of establishments like supermarkets can take advantage of an additional marketing tool: voice messaging.

While using the correct type of music can enhance the consumer's mood and influence them to make purchases, voice messages played over speakers serve a different function: educating and informing customers as a means of influencing their actions. Using professionally-recorded voice messages can also help reinforce of brand identity.

In-store voice messaging carries the same importance as advertising messages, and a voice with ideal pitch and speed can reinforce desirable emotions in buyers (Schiffman, 2001). This is not an unusual strategy: BMW, for example, has used David Suchet's voice for over 10 years in its commercials, maintaining their strong, coherent brand image.

This personalized messaging can be used in other, more creative ways. For example, Swedish furniture brand IKEA fixed their problem of customer confusion over where to access shopping carts by adding an audio track of carts bumping into each other at the corresponding area. The amount of customers who asked where the carts were located was reduced considerably as a result. (Hultén et al., 2009)

TEMPO

Music tempo is commonly described as how fast the rhythm of the music is when played. Correct use of this metric can make music one of the most effective tools for crowd management.

A demonstration of the power of tempo in background music is the curious effect that it has on customers, who tend to adapt their walking speed accordingly. This phenomenon is easily reproduced: if you want customers to spend more time walking around in your location, play songs with a slower tempo.

Using mellow music in queuing areas causes customers to believe that less time has passed, producing a significant increase in reported positive experiences compared to customers waiting in areas with tempo music in terms of satisfaction, relaxation and positive disconfirmation of expectations of wait duration. (Oakes and North, 2010)

On the other side of the same coin, stores that are interested in having a fast rotation of customers can speed things up by setting quicker tempo music, a common practice among fast food restaurant chains. (Pham, 2014)

As in all crowd management techniques, the importance lays on changing the settings according to how people are behaving at that very moment, which may mean that you need music with different rhythms throughout the day.



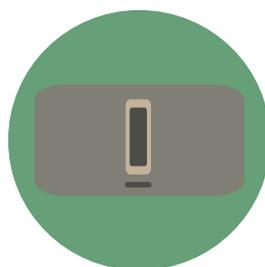
VOLUME

The volume of music works as a way of channeling energy. If your customer base is young and has high energy levels, setting the music a few decibels louder might be a great choice. However if the people who come to your store are older, loud music might drive them away, (such as in the example of Hollister mentioned earlier).

As a general rule, volume has the same effect on people as tempo: the louder the music, the less time customers will spend in your location. However, they will also put more energy and enthusiasm into their brief time present, which at the end of the day does not affect sales significantly. (Berkhout, 2015)

Results of different uses of volume depend primarily on two elements: customer demographics and the mood that the establishment is aiming to achieve. This is confirmed by a study showing that high volume music in a bar will increase the consumption of customers (North & Hagreaves, 1996).

A final aspect that should be kept in mind: volume is always the choice of the company, but thought should be given not only to the customer, but also to the needs of staff who work at the location.

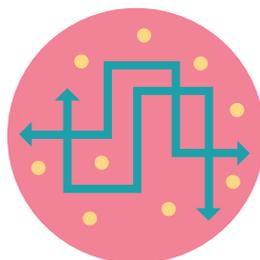


LICENSING

Playing music in public spaces requires the establishment to obtain commercial rights, which are not the same as the rights that individual consumers have when playing music in their own homes. Copyright laws call for severe legal and financial penalties if the proper licenses are not acquired, whether the music is played in a coffee shop, fashion store, medical office, hotel, spa, gym, hair salons, or any other location.

Commercial licenses are acquired either directly from the publisher, master owner, or through performing rights organizations. In the USA, these organizations include the ASCAP (American Society of Composers, Authors and Publishers), BMI (Broadcast Music, Inc.), and SESAC, while in Canada the comparable organizations are SOCAN and RE:SOUND.

While commercial licenses protect your establishment from legal quandaries, their real aim is to protect the artists you listen to and enjoy. Licensing agreements ensure that artists receive proper compensation for their work, and can continue to write and create the music that entertains the world.



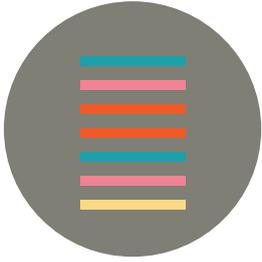
SOUNDMACHINE

SoundMachine is a music service for businesses - a cutting edge music marketing company specializing in creating enhanced auditory experiences for commercial environments such as fashion boutiques, coffee shops, and hotels. SoundMachine delivers content to over 10,000 locations across more than 65 countries.

Through applied understanding of how retail music marketing works, we custom-select content and provide a platform that controls all the needed variables, crafting an ideal customer experience consistent with your business strategy.

SoundMachine is accessible across a wide variety of devices, from Internet-connected computers to our dedicated players which allow music to keep playing even when the Internet goes down. Additionally, SoundMachine can be installed as an iOS App (compatible with All Play and Google Cast Audio through our iOS App) and is available on SONOS.

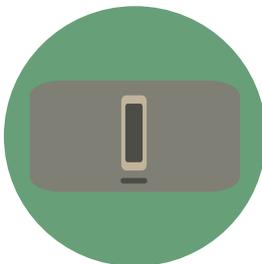
Our different music marketing plans are easily adaptable to the specific needs of your company.



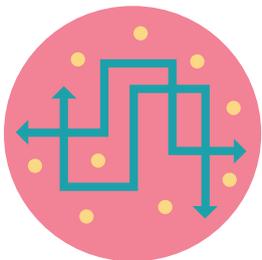
Choose from over 35 curated playlists to find the options most suited to your brand. Mix them to create your unique sound. Each playlist is selected specifically for an in-store environment, with the possibility of adding voice messages. Our experts can also customize a bespoke playlist based on your brand's story and needs.



Manage customer behaviors by controlling the tempo of your in-store music. Choose between the mellower or the more upbeat songs within a playlist, then watch as your customers respond accordingly.



Implement a volume strategy that best fits your brand and location, without fear of disconcerting leaps or drops in volume between songs. Each of our tracks is compressed to avoid overall variations in volume.



Keep it legal. SoundMachine manages the licensing of all your fantastic content, and can walk you through the ins and outs of legally putting that content to work, both domestically and abroad.

When it comes to music marketing, the best advice is to experiment, never underestimating the power of music as a marketing tool. Each brand and even each location is unique. Aligning your music content with your company strategy can have astonishing results.

Our SoundMachine experts are ready and waiting to help you transform your location through multi-sensory experiences, creating a rich environment for positive customer interaction with your brand.



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